



End the foreign-aid racket

Stephen Moore

February 7, 2017

Donald Trump's wise and humanitarian move to reinstate the Reagan-era "Mexico City policy," which prohibits U.S. foreign-aid dollars from going to non-government organizations that perform or provide referrals for abortions, has incited a torrent of liberal outrage.

Democratic Sen. Jeanne Shaheen of New Hampshire seethed that the edict "(favors) ideological politics over women and families." Yet she favors a policy that requires Americans to fund activities they find morally offensive. So much for "pro-choice."

The restoration of the Mexico City policy is a great start, but Trump should take a much bolder step: Stop all non-emergency foreign aid now. Virtually every poll of the last two decades shows that voters hate foreign aid, for good reason. The programs don't work to bring development to Nigeria or Mexico City anymore than domestic-aid programs have revived inner-city Detroit or Milwaukee.

Why are American taxpayers funding birth control or, for that matter, any overseas family-planning programs in foreign countries? We can't even afford our own government health programs, yet we are supposed to fund condom-distribution programs in Asia and Africa?

Foreign aid, when including military aid, costs up to \$50 billion a year. Liberals say this is a trivial amount given that the entire federal budget exceeds \$4 trillion. How is \$500 billion over a decade trivial?

One of the world's experts on foreign aid is William Easterly, an economist at New York University. He has noted that the developed countries could save as many as 5 million deaths from malaria and other preventable infectious diseases at a cost of less than \$5 per life saved. This would simply require bed netting and cheap medicines. But it doesn't happen.

Meanwhile, Easterly notes, the Western world spent almost 25 times this amount - over \$2 trillion from 1950 to 2000 - on foreign aid. And what did it buy for all this spending? As Easterly puts it: "The West spent \$2.3 trillion and still had not managed to get \$4 bed nets to poor families." This is almost an inhumanely irresponsible misallocation of taxpayer dollars.

Or think about this: According to the Cato Institute, "Since the 1960s, sub-Saharan Africa has received nearly \$500 billion in aid, yet the region has become poorer in the past several

decades." The Cato Institute's analysis found that aid spending in Africa is negatively correlated with development.

Why do these programs so tragically fail? One reason is that the money flows through organizations and advocacy groups that are often hostile to free enterprise. Government bureaucrats are the problem, not the solution, in poor nations. They are corrupt and intercept money and spend it on themselves. The West put tens of billions of dollars behind Millennium Development Grants to try to bring economic development to the former Soviet Union nations, but the aid had almost no effect in bringing prosperity.

Just as the welfare state here at home has created cycles of poverty in families, aid abroad fosters dependency, not self-sufficiency. Local initiatives don't take shape, because the attitude is that the foreigners will take care of the busted pipe or the downed power lines.

How did India and China and other Asian Tiger nations develop so quickly? As the Heritage Foundation's Index of Economic Freedom points out, they moved to free-market economics at a rapid pace and shed governmental controls. To paraphrase Heritage Foundation economist Anthony Kim: These nations privatized state-owned enterprises, encouraged entrepreneurship and cut taxes and red tape.

America should be exporting sound economic ideas - free-market capitalism - not taxpayer dollars. It's time to stop funding the vast foreign-aid empire that has gotten rich off of other people's misery.

If the returns for certain aid programs are as positive for women across the globe as Sen. Shaheen and others think they are, then surely there are millionaire donors who will pick up the tab for groups such as Planned Parenthood. But let's see if any of these programs can pass a market test and persuade charitable donors to fund their activities. The left would rather lobby Congress. Maybe that is because there is no real value - and these programs do more harm than good.

The best way to promote prosperity abroad is to fix America's problems first. Then we can serve as a beacon of freedom and opportunity for nations around the globe. If we lead, the rest of the world will follow.